



Mario Pricken

THE ESSENCE OF VALUE

Secrets of desired products.
80 inspiring strategies for creative companies

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80 inspiring strategies for creative companies



Mario Pricken is a globally sought-after expert in the creative sector as well as in the fields of strategy development and innovation. Like all true creatives, Pricken didn't "learn" how to be creative – he redefined it, in working with his customers and through his internationally successful books. His bestseller *Creative Advertising* has been translated into seven languages and, having sold over 130,000 copies since 2001, is an internationally recognized standard work in the field. Its success was followed by *Visual Creativity* and *Creative Strategies*.

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80 inspiring strategies for creative companies

By Mario Pricken



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**“I can’t change the fact that my paintings don’t sell.
But the time will come when people will recognize
that they are worth more than the value of the paints
used in the picture.” (Vincent van Gogh)**

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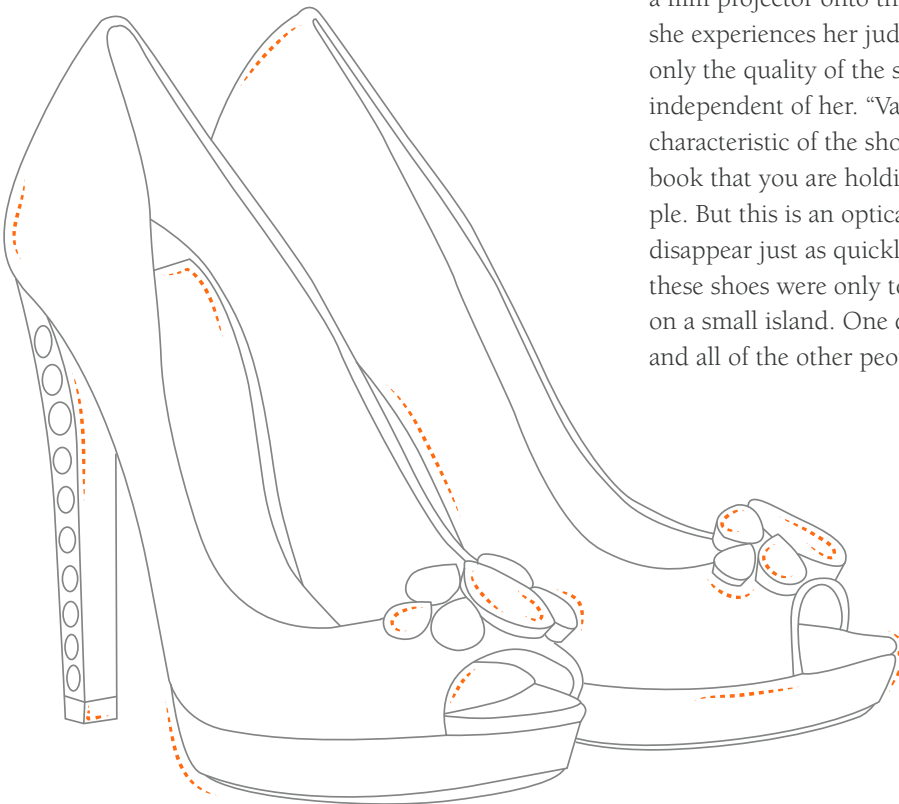
When does value emerge
and when desire?
Nine perspectives.

Things only have the value we give them.

Allow me to begin with a provocative quote from the neurobiologist and philosopher Humberto Maturana. He sums up my thoughts nicely about when and how value arises by offering an extremely radical idea: “The observer is the source of everything. Without him there is nothing. He is the cornerstone of perception, the basis of every supposition about himself, the world, even the entire cosmos. Were he to vanish, it would mean the disappearance and the end of the world as we know it. There would be no one left to perceive, speak, describe or explain.” To put it simply: without an observer, there is no value. The value of a thing is in the eye of the beholder. What this means for companies is that while products are made in a factory, every notion of their value is made solely in observers’ minds. At first, most people find this idea much too radical, and almost unsettling. But the following examples will convince skeptics of the profundity of this deeper truth.

**“My wife doesn’t want this pair of shoes
because she sees them as being valuable;
she sees them as valuable because she wants them.”**

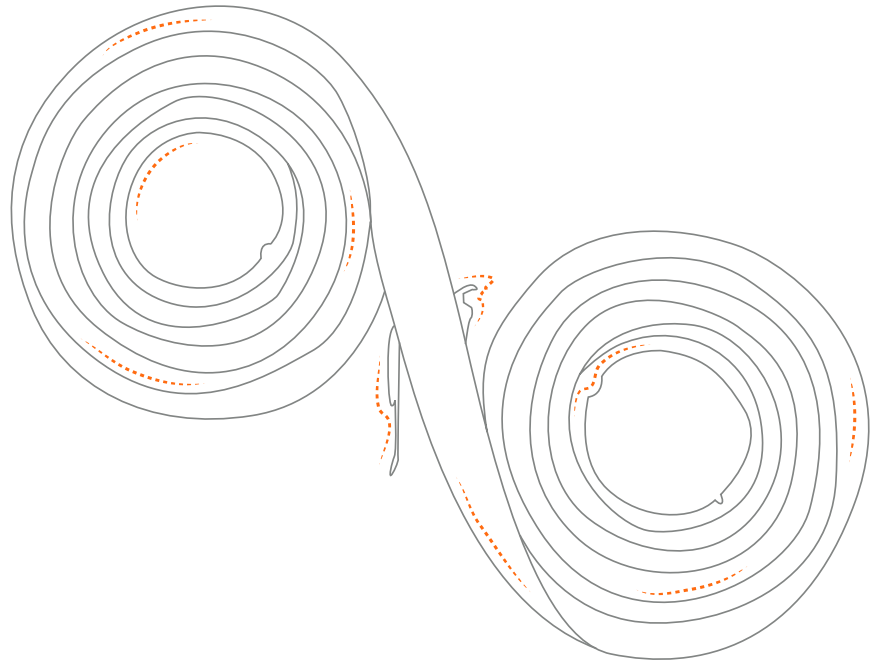
To put it more simply, you could also say that this woman has taken her concept of value, and perhaps her fantasies and desires too, and projected them like a film projector onto this pair of shoes. Interestingly, she experiences her judgment of value concerning only the quality of the shoes themselves, completely independent of her. “Value” is felt to be an intrinsic characteristic of the shoes, something as real as this book that you are holding in your hands, for example. But this is an optical illusion, as it were, that can disappear just as quickly as it arises. Imagine that these shoes were only to be found in one shoe shop on a small island. One day the island, this woman and all of the other people who know about the shoes

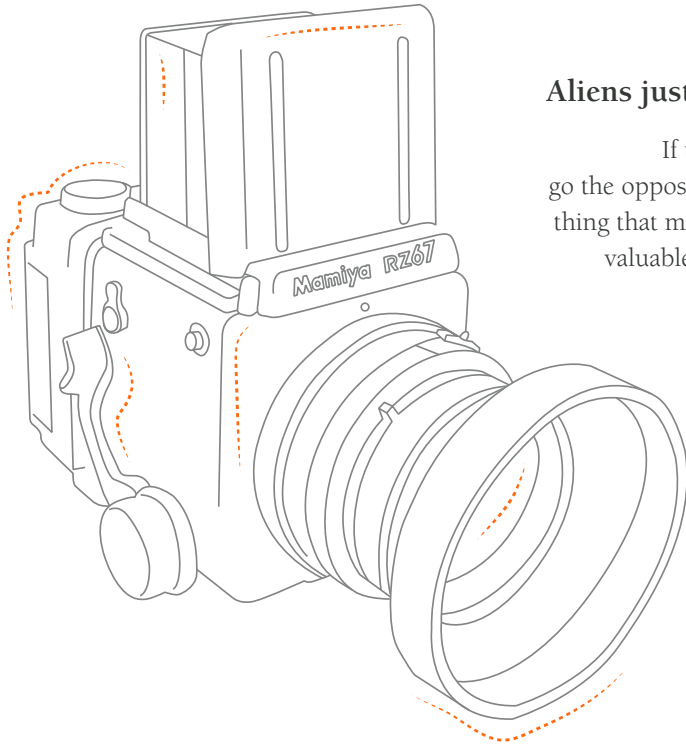


disappear into the sea – the shoes’ value would disappear into nothing too. No one would be there anymore to see them, love them, buy them, wear them or want them so badly. I wouldn’t be able to write about them here and you, just like all other people on earth, would not be able to think about them at all. Their delicate beauty would now lie on the ocean’s floor, without the least bit of meaning for anyone.

Feathers, feathers and even more feathers.

How valuable does the “thing” (made of thousands of feathers from scarlet honey-eater birds) depicted below seem to you? What would you be prepared to trade for it? The manufacture of these so-called tau feather coils didn’t stop completely until some time in the 1970s. Up until that point they were precious beyond all measure for the people of the Santa Cruz Islands. They were guarded, carefully stored and their value was considered to be so great that one could be traded for a future spouse or an entire boat. If the value that these feather coils supposedly reflect was actually inherent in the object itself, then you would have to be able to recognize this “value” too. I assume, however, that you see nothing even remotely close to value in these coils or that makes you think they are valuable. So where is this “value” then, if not in the feather coils themselves? That’s right – it’s merely in the minds of the members of this cultural group. Because they were the ones who considered these feather coils so valuable that they not only served as a medium of exchange, thereby enhancing status, but also brought the blessing of many children since one could secure the right partner for life with them.





Aliens just don't understand our world.

If the feather coils are too exotic or unusual for you, let's go the opposite way and take an example closer to home, something that most people in our cultural context would find to be valuable: say, a first-class camera from Mamiya. But not just any Mamiya camera – the best one, the one that belonged for many years to the world-famous photographer Herb Ritts. Now let's engage in a little thought experiment. Imagine that one day the unthinkable happens and aliens land on earth. While scouting out this strange new place, they happen to chance upon this very camera. Would a shiver of awe travel down their green backs, would they be impressed, would they desire this camera, fight over it or maybe even trade their much more advanced spaceship for it? Hardly! It's far more probable that their response would resemble ours when confronted with those feather coils.

They'd think the camera was worthless, something best thrown away or, even more likely, they'd just ignore it!

Where is the value of this one-of-a-kind camera in the eyes of these little aliens? How would it be created and under what conditions would it emerge?

What is lost when value is lost?

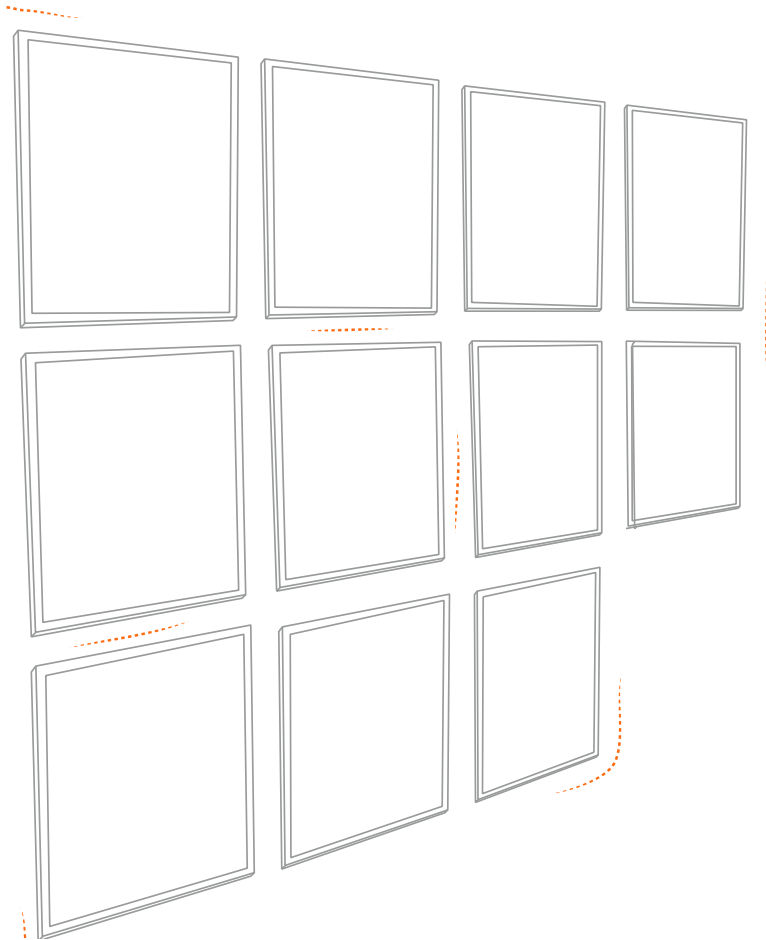
In 1897 the Gemäldegalerie Berlin acquired the painting "The Man with the Golden Helmet" with the understanding that it was a work that had been completed by the painter Rembrandt van Rijn himself. It was the highlight of the entire collection, one that thousands of people came to see every year to reverentially contemplate in person. But then, in 1984, something shocking happened. During the course of long-overdue restoration work, experts established that it could not be the master painter's work, and it was attributed instead to an unknown painter from Rembrandt's circles. Since then, the painting has hung in a side room and museum visitors barely pay attention to it. No more crowds, no more reverential gazes and no one dares to put its market value in the millions. Nothing has been physically taken away from this painting and nothing added. If you were to weigh it, it would weigh



exactly what it did during those years when masses of people admired it. What has been lost, and above all, where and why? Where exactly is the value, appeal and essence of this inimitable work to be found?

Eleven identical paintings, eleven different prices.

Let's take another example from the art world. Because over the past millennia, art – just like religion – has managed to make practically any object valuable. Religion elevates objects to the level of holy symbols (relics) and art raises objects up to the ranks of works that are broadly recognized by society as having value. The fact that this value is always highly subjective and never inherent in the object itself was brilliantly demonstrated by the French painter Yves Klein in 1957 when he sold eleven completely identical paintings, all blue monochromes of exactly the same size, but with a different price for each one. And even though interested parties and art collectors were informed of this well in advance of the sale, all of the paintings quickly found buyers. What price would you have been willing to pay? What criteria would you have used in your estimation of the painting's value?



Why is it that the most useful objects have the lowest price in the marketplace, while some of the least useful things command the highest price? (Aristotle)

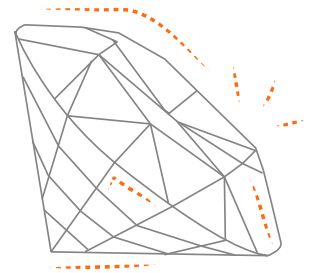
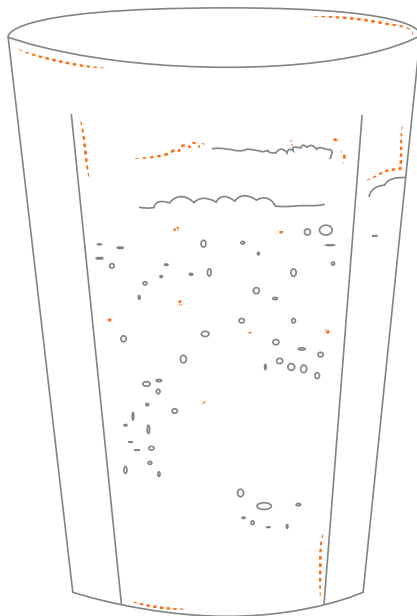
A product's or object's market value cannot simply be created – it can only be reflected in people's willingness to pay the asking price. If an innovative mountain bike or a new top-quality wine just sits on the shelves, then it doesn't really matter how many years were spent developing it or how much work was put into its production. At this point, its subjectively perceived value no longer corresponds in any way to the resources that have been invested in it. And what role do important characteristics like usefulness and functionality play? A comparison of drinking water and diamonds very quickly reveals that usefulness on its own is not enough to determine what value people will attribute to something. Drinking water is still plentiful in Central Europe; we have easy access to it whenever we want it and at a relatively low cost thanks to our complex technological supply system. By comparison, a diamond's usefulness for any individual is relatively limited, but its market value is enormous. Because interestingly, the great value of an object like a diamond is above all the result of the fact that, although it offers no real functional value, it does indeed serve a certain purpose: it can bestow its owner with status, provide social prestige, satisfy aesthetic demands, make dreams come true, or at the very least, provoke a

decent amount of envy. All of

this works as a result of those meaningful codes that the object carries with it and shines on us humans

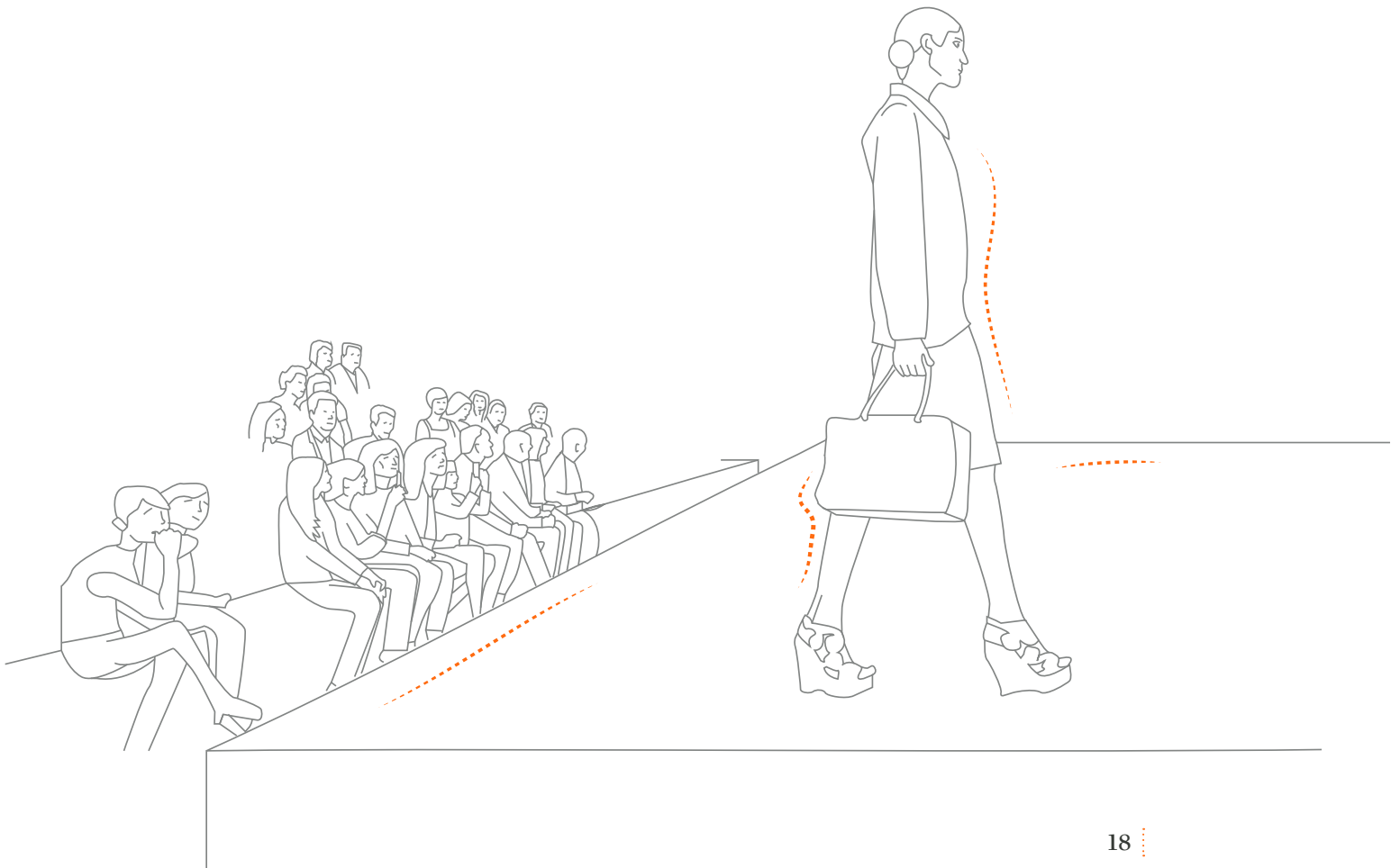
continuously, like an aura that is

no less real though it is difficult to grasp. The nail that holds a picture up on the wall, in spite of being useful, is not there to signify anything, and that is why it signifies nothing. The picture that it holds up, however, ideally has some sort of significance, it means something, it carries a relevant code. And that is why its worth can be a million times greater than that of the nail which holds it up – especially if it is a work of Pieter Bruegel the Elder.



Value is created in a coevolutionary process.

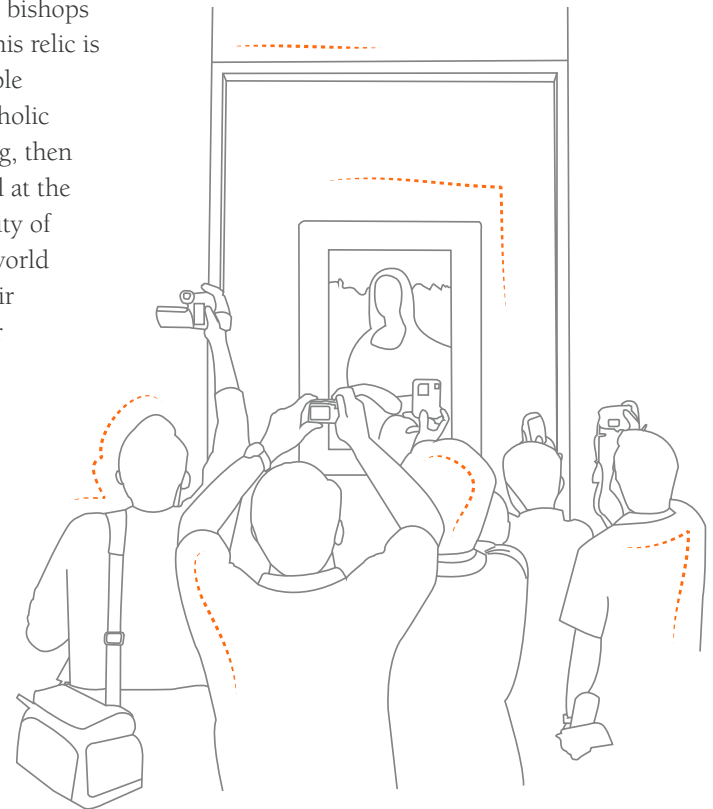
Imagine a person who, by virtue of a stage, podium, lectern or altar, is positioned above us, so we can only see him when we direct our gaze upwards. The very act of raising one person up in relation to others leads to certain pre-defined roles: it turns you into a spectator looking up at the raised person from below simultaneously with a number of other people. Inadvertently, you act as though this individual possesses some special significance. Value and significance interestingly do not arise of their own accord, but first and foremost in relation to the behavior of other people, behavior that has been more or less compelled by this process of “elevation.” We can therefore conclude that it is the audience itself that bestows value on the raised individual through its intensive “upward gaze,” a value that they assume is an inherent characteristic of the individual on the stage at whom they are looking. Anyone who takes a closer look will realize that the creation of value is always a coevolutionary process which can only be brought about by the object and the observer working in tandem. The same is true of



a sculpture on a pedestal, a product on a stand at a trade fair or a relic in a shrine. The intensity of exchange between the two elements is an additional aspect of this coevolutionary process. Value and significance can increase, for example, when the observer's attention to the object is more intense or he engages with it for a longer period of time. This is particularly apparent in the case of a passionate collector or a person who spends weeks deliberating before finally buying a particular product. In relation to that yet another aspect comes into effect. If the coevolutionary process is successfully completed and the person firmly believes in the value or significance that has been created externally, then it is usually completely immaterial to that person whether the value is true or not, whether it can be demonstrated by scientific testing, for example. The value is unequivocally true and can resist all sorts of objections. "Value" takes on a life of its own and liberates itself from any and all types of searching questions about origin, measurability, justification, truth and legitimacy. This phenomenon is most pronounced in the areas of art, religion and, for example, in the behavior of passionate collectors.

**The more people act as if a particular value really does exist,
the more real and stable it becomes.**

Among other factors, the value of a thing depends to a large degree on which people, and above all how many people, agree on that value. If the authenticity of a burial shroud is beyond a doubt for the bishops at a conference, then the extreme value of this relic is already sealed by virtue of the unquestionable authority of these representatives of the Catholic Church. If the pope agrees with their finding, then the object is transformed into a holy symbol at the blink of an eye. But it is not until the majority of the more than one billion Catholics in the world begin to share this conviction and show their agreement with it by going on pilgrimage or performing a similar ritual, that the relic assumes a nearly immeasurable value and its full force as a holy symbol is unfolded. Even if the comparison makes some readers uneasy, the growth of value in unusual products, artworks, sports clubs or special events is subject to similar processes and rules. The objectivity and stability of the value attached to these things increases in



concert with the collective appreciation and esteem they obtain in public opinion. When it comes to products like a pleasure craft or a rare watch, hypothetical demand often significantly exceeds the real number of actual buyers. The valuable object's value is confirmed and secured on a broader basis by the very fact that so many people want that object even though they cannot afford it. If, on top of this, its value is proclaimed or confirmed by authorities or institutions with high public profiles, such as sports stars or an international committee of experts, then there can hardly be a doubt: there is almost no way around such a collective judgment of value since it is communicated daily through various channels and we experience it as an ongoing social phenomenon.

The alchemy of value –
how 80 parameters
generate desire

**Price is what you pay.
Value is what you get.
(Warren Buffett)**

Most of us have a reliable sense of what is valuable, but hardly anyone is able to describe what it is exactly that leads to this perception. How can we actually find those mysterious mechanisms and codes in the things, products, events and organizations which lead to our perceptions of value? I have spent four years examining more than 300 objects, searching primarily for the factors that reliably make things “shine” – in any culture and regardless of the industry, product group, sphere of life, or whether they are part of a trend. First of all, I asked myself what visible and invisible parameters and codes an object must contain in order for it to trigger notions of value in an individual. Based on my initial findings, I then analyzed whole product classes over their entire “lifetime,” e.g. designer furniture, collectible antiques and cell phones. Each individual phase from manufacturing to disposal was examined for the value parameters that it contains. Individual parameters were then factored out in turn to see how this impacts the other value factors and the way in which the object as a whole changes in an individual's perception of value as a result of this. It was worth the effort because little by little, using this method, the parameters which normally only develop their suggestive impact in secret became clearly apparent. The following Value Catalog describes precisely 80 of these parameters, although it absolutely does not claim to be complete. However, it certainly does provide an unprecedented and concentrated list of the factors and codes which inspire and at the same time continuously promote the perception of value in individuals in new ways.

Each parameter is merely an offer

All 80 parameters in the following Value Catalog are offers which the target group for the relevant product redeems by ascribing a certain significance to them. Ultimately it is always the recipient of the offer and not the sender who determines whether the perception of “value” arises in this process and how intense it is. This simple basic law should be kept in mind at all times, since people first of all need to have the ability to decipher the coding for the offer before they can develop “value perceptions.” For example, we have to actually “see” the rarity, purity, uniqueness, history or beauty of a product as a distinct sign before it can seem valuable to us. There is no secret recipe and no guarantee for achieving this equally with everyone, even if there are “prophets” who reappear time and time again promising this miracle.

Another interesting feature of the Value Catalog is the fact that many of its parameters work for different cultures. For example, in most of the cultures known to us, rare objects are more highly appreciated and valued than things which are in abundance. This makes the parameter “rarity” a cross-cultural “offer,” which has a high potential for being accepted by a large number of people around the globe. You will also note that the majority of the parameters

described have been successfully in use since ancient times or for even longer, and have lost none of their effect even after thousands of years. It is just a matter of figuring out whether the patterns for these timeless parameters can be brought back to life with a little fresh sparkle in order to make them effective in modern times.

Things that are desired are actually stories masquerading as objects.

One of the key findings from my investigations is the fact that truly valuable objects to which people ascribe major significance have a unique and fascinating biography. These biographies are stories which fascinate us on the one hand, and which we enjoy retelling with passion on the other. The issue of whether a vintage car has that essence which makes it a highly sought-after collector's item is therefore no longer determined just by its age, but specifically by its extraordinary "life story." Could it have been a special edition or does its legendary design originate from the founder himself? Was a groundbreaking technology or an innovative material used in it for the first time? Who was its first owner? Did the car take part in any famous races or even win some that are still being talked about today? Together all of these parameters link to the timeline to create a unique biography which gives the object a special essence. The sheet metal itself would not be able to produce such a desire, it also needs to have "incorporated" something intangible in order to exude meaning, force, power and value for us. My investigations have shown that almost all of the biographies of valuable items feature between eight and thirty of these parameters which you will find later on in the Value Catalog. However, each of the biographies features its own "individual blend" which spans across the item's entire life cycle. When this blend is perfect a certain glamour and aura is created before our very eyes, exuding a magical appeal for us. These types of biographies can easily be compared with the life stories of extraordinary and fascinating people. If Charlie Chaplin, Ferdinand Porsche and Thomas Alva Edison have one thing in common it is the fact that their lives began in fascinating circumstances and they wrote history until the day they died. Outstanding works of art, products and events follow a very similar pattern. They have a story to tell, they stand out from the crowd and are visionary, bold, grand, mysterious, and can generally reference biographies which unmistakably distinguish them from anything else.

Everyday things need to be pushed, desirable things create pull.

It is fascinating to see how the desirable does not need to make an effort in order to be of value – it just is. It produces a kind of pull from this self-confidence. It attracts us, focuses our attention and sparks an intense feeling of “want-to-have.” Anyone who has seen what happens when somebody receives the custom version of their much-desired mountain bike after weeks of being on a waiting list knows what I mean here. Items that are inherently capable of producing this type of pull do not require flashy illusions, promotional flattery, persistent market pitches or other nonsense – they are perfectly adequate just as they are. The usual and replaceable on the other hand has to create constant pressure in order to even catch our attention in the first place. The marketing books out there are full of case examples for this unpleasant category, as most products and events these days tend to be average and easily replaceable, and are therefore ultimately pretty uninteresting. Advertising and sales are supposed to be the lifeline here that fills the gap, giving the product something that it never had from the start, i.e. outstanding features and a unique biography. This is because truly significant things follow another very simple natural law: charge the entire lifecycle with a unique blend of value parameters, and attention from individuals, the media and the industry as a whole will follow almost automatically. Suddenly a pull is created. We need to have the courage to resist the traditional marketing dogma which insists that pressure in the form of advertising is the very instrument of our time.

Understanding the Value Catalog correctly means using it in the right way – a user guide.

You can work your way through the following Value Catalog or browse through it at will. However you do it, if you play along and grasp the endless possibilities concealed behind the patterns of the individual parameters, it will open up an exciting world full of ideas to you. If you develop or market products yourself: feel free to break the rules, push the boundaries and develop new and innovative versions of the individual parameters for your own projects or products. Obviously not all of the 80 parameters can be applied with equal effect to every object, product or service. Some provide good ideas, some work out less well and some simply won't be suitable at all. Which of these applies to a specific case will vary according to the issue or project and has to be discovered anew each time. In order to illustrate the patterns of value creation as vividly as possible, in the Value Catalog I have used a lot of the examples I analyzed from the areas of art, culture, sport, religion and, of course, business. Because people gain the greatest momentum and inspiration for new ideas from unfamiliar areas and industries that are outside of their areas of specialty. This is why you will be confronted with one question here again and again: how do values arise outside of business and what can product innovation learn from these areas? By doing this, the book attempts to take a fresh, novel and inspiring